

**THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

<b>In re:</b>	)	<b>Chapter 11</b>
	)	
<b>W.R. GRACE &amp; CO., et al.,</b>	)	<b>Case No. 01-01139 (JKF)</b>
	)	
<b>Debtors.</b>	)	<b>(Jointly Administered)</b>

*Objection deadline: October 10, 2007 at 4:00 p.m.*

**FIFTY-FOURTH APPLICATION OF BLACKSTONE ADVISORY SERVICES L.P.  
AS FINANCIAL ADVISORY TO W.R. GRACE & CO. AND AFFILIATES FOR  
COMPENSATION AND REIMBURSEMENT OF EXPENSES INCURRED  
FOR THE PERIOD OF MAY 1, 2007 THROUGH MAY 31, 2007**

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Name of Applicant: Blackstone Advisory Services L.P.

Authorized to Provide  
Professional Services to: Debtors

Date of Retention Order: June 22, 2001, effective April 2, 2001

Period for which compensation and  
reimbursement is sought: May 1, 2007 through May 31, 2007

Amount of Compensation	<u>Total</u>	<u>(Holdback (@ 20%))</u>
sought as actual, reasonable and necessary:	\$125,000.00	(\$25,000.00)

Amount of Expense Reimbursement	
sought as actual, reasonable and necessary:	\$148.40

This is a   x   monthly    interim    final application

## Summary of Monthly Applications:

Date Filed	Period(s) Covered	Requested		Approved		Unapproved	Unpaid
		Fees	Expenses	Fees	Expenses	Holdback(s)	Holdbacks
07/31/01	04/02/01 – 06/30/01	\$519,166.66	7,663.95	\$519,166.66	7,663.95	\$--	\$--
08/24/01	07/01/01 – 07/31/01	175,000.00	3,504.53	175,000.00	3,504.53	--	--
10/16/01	08/01/01 – 08/31/01	175,000.00	16,124.84	175,000.00	16,124.84	--	--
11/21/01	09/01/01 – 09/30/01	175,000.00	11,846.09	175,000.00	11,846.09	--	--
11/30/01	10/01/01 – 10/31/01	175,000.00	5,042.39	175,000.00	5,042.39	--	--
01/31/02	11/01/01 – 11/30/01	175,000.00	7,477.10	175,000.00	7,477.10	--	--
01/31/02	12/01/01 – 12/31/01	175,000.00	2,133.92	175,000.00	2,133.92	--	--
03/15/02	01/01/02 – 01/31/02	175,000.00	5,140.26	175,000.00	5,140.26	--	--
04/05/02	02/01/02 – 02/28/02	175,000.00	1,719.69	175,000.00	1,719.69	--	--
05/02/02	03/01/02 – 03/31/02	175,000.00	631.92	175,000.00	631.92	--	--
07/25/02	04/01/02 – 04/30/02	175,000.00	2,736.03	175,000.00	2,736.03	--	--
08/15/02	05/01/02 – 05/31/02	175,000.00	516.61	175,000.00	516.61	--	--
08/15/02	06/01/02 – 06/30/02	175,000.00	733.20	175,000.00	733.20	--	--
11/13/02	07/01/02 – 07/31/02	175,000.00	2,603.74	175,000.00	2,603.74	--	--
11/13/02	08/01/02 – 08/31/02	175,000.00	3,547.21	175,000.00	3,547.21	--	--
11/13/02	09/01/02 – 09/30/02	175,000.00	1,611.87	175,000.00	1,611.87	--	--
02/14/03	10/01/02 – 10/31/02	175,000.00	1,848.24	175,000.00	1,848.24	--	--
02/14/03	11/01/02 – 11/30/02	175,000.00	2,109.76	175,000.00	2,109.76	--	--
02/14/03	12/01/02 – 12/31/02	175,000.00	1,570.49	175,000.00	1,570.49	--	--
03/25/04	01/01/03 – 12/31/03	525,000.00	10,063.83	525,000.00	10,063.83	--	--
08/17/04	01/01/04 – 06/30/04	525,000.00	2,833.02	525,000.00	2,833.02	--	--
11/15/04	07/01/04 – 09/30/04	525,000.00	22,158.70	525,000.00	22,158.70	--	--
11/24/04	10/01/04 – 10/31/04	175,000.00	3,635.27	175,000.00	3,635.27	--	--
01/24/05	11/01/04 – 11/30/04	175,000.00	4,369.47	175,000.00	4,369.47	--	--
01/24/05	12/01/04 – 12/31/04	175,000.00	1,129.94	175,000.00	1,129.94	--	--
03/07/05	01/01/05 – 01/31/05	175,000.00	2,347.64	175,000.00	2,347.64	--	--
05/19/05	02/01/05 – 02/28/05	175,000.00	742.42	175,000.00	742.42	--	--
05/19/05	03/01/05 – 03/31/05	175,000.00	1,106.33	175,000.00	1,106.33	--	--
08/26/05	04/01/05 – 04/30/05	100,000.00	3,082.08	100,000.00	3,082.08	--	--
08/26/05	05/01/05 – 05/31/05	50,000.00	1,709.38	50,000.00	1,709.38	--	--
08/26/05	06/01/05 – 06/30/05	50,000.00	2,917.10	50,000.00	2,917.10	--	--
05/10/06	07/01/05 – 07/31/05	75,000.00	2,289.24	75,000.00	2,289.24	--	--
05/10/06	08/01/05 – 08/31/05	50,000.00	2,304.36	50,000.00	2,304.36	--	--
05/10/06	09/01/05 – 09/30/05	25,000.00	679.00	25,000.00	679.00	--	--
06/21/06	10/01/05 – 10/31/05	100,000.00	786.97	100,000.00	786.97	--	--
06/21/06	11/01/05 – 11/30/05	100,000.00	1,854.08	100,000.00	1,854.08	--	--
06/21/06	12/01/05 – 12/31/05	100,000.00	488.35	100,000.00	488.35	--	--
07/25/06	01/01/06 – 01/31/06	50,000.00	1,369.41	50,000.00	1,369.41	--	--
07/25/06	02/01/06 – 02/28/06	100,000.00	560.94	100,000.00	560.94	--	--
07/25/06	03/01/06 – 03/31/06	100,000.00	1,273.41	100,000.00	1,273.41	--	--
09/21/06	04/01/06 – 04/30/06	75,000.00	208.81	75,000.00	208.81	--	--
09/21/06	05/01/06 – 05/31/06	100,000.00	1,660.26	100,000.00	1,660.26	--	--
09/21/06	06/01/06 – 06/30/06	125,000.00	2,155.45	125,000.00	2,155.45	--	--
10/18/06	07/01/06 – 07/31/06	125,000.00	4,794.17	125,000.00	4,794.17	--	--
11/30/06	08/01/06 – 08/31/06	75,000.00	1,665.99	75,000.00	1,665.99	--	--
11/30/06	09/01/06 – 09/30/06	75,000.00	995.60	75,000.00	995.60	--	--
02/28/07	10/01/06 – 10/31/06	100,000.00	704.00	100,000.00	704.00	--	--
02/28/07	11/01/06 – 11/30/06	175,000.00	1,104.42	175,000.00	1,104.42	--	--
02/28/07	12/01/06 – 12/31/06	150,000.00	1,509.61	150,000.00	1,509.61	--	--

<b>Date Filed</b>	<b>Period(s) Covered</b>	<b>Requested</b>		<b>Approved</b>		<b>Unapproved</b>	<b>Unpaid</b>
		<b>Fees</b>	<b>Expenses</b>	<b>Fees</b>	<b>Expenses</b>	<b>Holdback(s)</b>	<b>Holdbacks</b>
04/10/07	01/01/07 – 01/31/07	100,000.00	5,412.84	80,000.00	5,412.84	20,000.00	20,000.00
06/29/07	02/28/07 – 02/28/07	100,000.00	1,260.82	80,000.00	1,260.82	20,000.00	20,000.00
06/29/07	03/01/07 – 03/31/07	100,000.00	535.30	80,000.00	535.30	20,000.00	20,000.00
09/20/07	04/01/07 – 04/30/07	100,000.00	3,145.97	--	--	--	--
09/20/07	05/01/07 – 05/31/07	125,000.00	148.40	--	--	--	--

**Blackstone Advisory Services L.P.**

September 20, 2007

Mr. Fred Festa  
 Chairman, President and Chief Executive Officer  
 W.R. Grace & Co.  
 7500 Grace Drive  
 Columbia, Maryland 21044

Monthly advisory fee for the period of May 1, 2007 through May 31, 2007: \$ 125,000.00

Less: 20% holdback pursuant to the Court's Administrative Order (25,000.00)

Out-of-pocket expenses processed for the period through May 31, 2007:<sup>1</sup>

Ground Transportation	\$ 123.40	
Meals	25.00	148.40
		<hr/>
<b>Total Amount Due</b>		<b>\$ 100,148.40</b>
		<hr/> <hr/>

**Please wire transfer funds to:**

JP Morgan Chase  
 One New York Plaza  
 New York, NY 10017  
 ABA# 021 000 021  
 Credit Account: Blackstone Advisory Services L.P.  
 Account Receivable Dept. 14th Floor  
 Account # 066-287472

Invoice Number: 15662

<sup>1</sup> Expenses incurred, but not yet processed due to timing differences will be billed at a later date.

**Blackstone Advisory Services L.P.**  
 345 Park Avenue  
 New York, NY 10154  
 212 583-5000

**W.R. Grace & Co.**  
**Summary of Expenses**  
**Invoice No. 15662**

	<b>GL Detail May-07</b>	<b>Total Expenses</b>
Ground Transportation - Out of Town Travel	\$ 53.40	\$ 53.40
Ground Transportation - Local Travel	70.00	70.00
Employee Meals	25.00	25.00
<b>Total Expenses</b>	<b>\$ 148.40</b>	<b>\$ 148.40</b>
	<b>Ground Transportation</b>	<b>123.40</b>
	<b>Meals</b>	<b>25.00</b>
	<b>Total Expenses</b>	<b>\$ 148.40</b>

W.R. Grace & Co.  
 Detail of Expenses Processed  
 Through May 31, 2007  
 Invoice No. 15662

**Ground Transportation - Car Service - Elite**

O'Connell (car to LaGuardia Airport in Queens, NY from Blackstone)	04/10/07	53.40		53.40
<b>Subtotal - Ground Transportation - Car Service - Elite</b>			<b>\$</b>	<b>53.40</b>

**Ground Transportation - Out-Of-Town Travel**

O'Connell (taxi home from Newark Penn Station in Newark, NJ)	04/12/07	70.00		70.00
<b>Subtotal - Ground Transportation - Out-Of-Town Travel</b>			<b>\$</b>	<b>70.00</b>

**Employee Meals**

Istvan (weeknight working dinner meal @ Blackstone while working late	04/03/07	25.00		25.00
<b>Subtotal - Employee Meals</b>			<b>\$</b>	<b>25.00</b>

<b>Total Expenses</b>	<b>\$</b>	<b>148.40</b>
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**BLACKSTONE ADVISORY SERVICES L.P.  
SUMMARY OF HOURS FOR THE PERIOD OF  
MAY 1, 2007 THROUGH MAY 31, 2007**

<b>Professional</b>	<b>Title</b>	<b>Hours</b>
Pamela Zilly	Senior Managing Director	35.7
Jamie O'Connell	Vice President	86.5
Benjamin Istvan	Analyst	25.8
	<b>Total</b>	<u>148.0</u>

**BLACKSTONE ADVISORY SERVICES L.P.**  
**HOURLY DETAILS FOR THE PERIOD OF**  
**MAY 1, 2007 THROUGH MAY 31, 2007**

Professional	Date	Hours	Category	Explanation
Jamie O'Connell	05/01/07	0.3	Business Analysis	Call with C. Schultz regarding Project Gemini
Pamela Zilly	05/01/07	0.5	Business Analysis	Review credit statistics analysis
Pamela Zilly	05/02/07	1.0	Business Analysis	Review business divestiture documents
Jamie O'Connell	05/03/07	0.3	Business Analysis	Correspondence to C. Schult regarding Project Gemini
Benjamin Istvan	05/07/07	0.5	Business Analysis	Call with J. Dolan, C. Schult and J. O'Connell regarding Project Gemini
Jamie O'Connell	05/07/07	0.3	Business Analysis	Call with C. Schult regarding Project Gemini
Jamie O'Connell	05/08/07	0.3	Business Analysis	Call with L. Sinanyan regarding Project Gemini
Jamie O'Connell	05/10/07	0.3	Business Analysis	Call with C. Schult regarding Project Gemini
Jamie O'Connell	05/10/07	1.0	Business Analysis	Compilation of buyers contacted during the Project Gemini sale process
Jamie O'Connell	05/11/07	0.3	Business Analysis	Review correspondence from L. Sinanyan regarding Project Gemini
Jamie O'Connell	05/11/07	1.3	Business Analysis	Correspondence to K&E and Grace management regarding Project Gemini
Jamie O'Connell	05/11/07	0.3	Business Analysis	Call with C. Schult regarding Project Gemini
Jamie O'Connell	05/11/07	0.5	Business Analysis	Call with L. Sinanyan and C. Schult regarding Project Gemini
Pamela Zilly	05/11/07	1.0	Business Analysis	Review Q1 financial briefing
Benjamin Istvan	05/14/07	0.5	Business Analysis	Review draft motion regarding Project Gemini
Benjamin Istvan	05/14/07	0.5	Business Analysis	Project Gemini update
Jamie O'Connell	05/14/07	4.0	Business Analysis	Provide comments to draft motion regarding Project Gemini
Jamie O'Connell	05/14/07	0.3	Business Analysis	Call with C. Schult regarding Project Gemini
Jamie O'Connell	05/14/07	0.5	Business Analysis	Multiple calls with L. Sinanyan regarding Project Gemini
Jamie O'Connell	05/14/07	0.5	Business Analysis	Call with J. McFarland and L. Sinanyan regarding Project Gemini
Jamie O'Connell	05/14/07	3.8	Business Analysis	Draft affidavit for P. Zilly regarding Project Gemini sale process
Jamie O'Connell	05/15/07	0.8	Business Analysis	Call with J. McFarland, M. Conron, C. Schult and J. Baer regarding Project Gemini
Jamie O'Connell	05/15/07	0.3	Business Analysis	Call with L. Sinanyan of K&E regarding Project Gemini motion
Jamie O'Connell	05/15/07	0.8	Business Analysis	Call with management, K&E, potential buyer and its counsel regarding Project Gemini
Jamie O'Connell	05/15/07	0.5	Business Analysis	Call with L. Sinanyan and J. O'Connell regarding Project Gemini motion
Jamie O'Connell	05/15/07	0.5	Business Analysis	Draft language for Project Gemini motion
Pamela Zilly	05/15/07	1.0	Business Analysis	Meeting with P. Zilly regarding pension motion; Project Gemini presentation
Pamela Zilly	05/15/07	0.5	Business Analysis	Review draft sale motion
Pamela Zilly	05/15/07	0.5	Business Analysis	Meeting with J. O'Connell re: Gemini presentation
Pamela Zilly	05/15/07	0.8	Business Analysis	Read and provide comments on affidavit for sale motion
Pamela Zilly	05/15/07	1.0	Business Analysis	Review revised draft sale motion and email to Committee's financial advisors
Jamie O'Connell	05/16/07	0.5	Business Analysis	Call with L. Sinanyan regarding Project Gemini draft motion
Benjamin Istvan	05/16/07	0.3	Business Analysis	Call with C. Schult regarding Project Gemini
Jamie O'Connell	05/17/07	0.2	Business Analysis	Call with C. Schult and J. O'Connell regarding Project Gemini
Jamie O'Connell	05/17/07	1.0	Business Analysis	Draft affidavit for P. Zilly regarding Project Gemini
Jamie O'Connell	05/17/07	0.1	Business Analysis	Call with L. Sinanyan regarding Project Gemini
Jamie O'Connell	05/17/07	0.2	Business Analysis	Call with C. Schult and B. Istvan regarding Project Gemini
Benjamin Istvan	05/17/07	0.5	Business Analysis	Call with C. Schult, J. McFarland and M. Conron regarding Project Gemini
Benjamin Istvan	05/18/07	0.1	Business Analysis	Call with L. Sinanyan and J. O'Connell regarding Project Gemini
Jamie O'Connell	05/18/07	0.3	Business Analysis	Call with L. Sinanyan and J. O'Connell regarding Project Gemini
Jamie O'Connell	05/18/07	0.3	Business Analysis	Review first quarter financial briefing prepared for financial advisors
Jamie O'Connell	05/18/07	0.3	Business Analysis	Meeting with B. Tarola regarding various matters
Jamie O'Connell	05/18/07	0.3	Business Analysis	Correspondence to L. Sinanyan regarding draft Gemini affidavit
Jamie O'Connell	05/18/07	0.3	Business Analysis	Call with M. Conron regarding Project Gemini
Jamie O'Connell	05/18/07	0.1	Business Analysis	Call with L. Sinanyan regarding Project Gemini
Jamie O'Connell	05/18/07	0.1	Business Analysis	Call with L. Sinanyan and B. Istvan regarding Project Gemini
Jamie O'Connell	05/18/07	0.3	Business Analysis	Call with L. Sinanyan and B. Istvan regarding Project Gemini

**BLACKSTONE ADVISORY SERVICES L.P.**  
**HOURLY DETAILS FOR THE PERIOD OF**  
**MAY 1, 2007 THROUGH MAY 31, 2007**

Professional	Date	Hours	Category	Explanation
Jamie O'Connell	05/18/07	0.3	Business Analysis	Correspondence to P. Zilly regarding status of Project Gemini
Pamela Zilly	05/18/07	1.0	Business Analysis	Review revised purchase agreement; email to Committee's financial advisors
Jamie O'Connell	05/19/07	0.2	Business Analysis	Review Project Gemini correspondence from L. Sinanyan
Jamie O'Connell	05/21/07	0.3	Business Analysis	Call with C. Schult regarding Project Gemini
Jamie O'Connell	05/21/07	0.3	Business Analysis	Call with C. Schult regarding Project Gemini
Jamie O'Connell	05/22/07	0.2	Business Analysis	Discussion with P. Zilly regarding Project Gemini
Jamie O'Connell	05/22/07	0.3	Business Analysis	Call with P. Zilly, C. Schult and J. McFarland regarding Project Gemini
Jamie O'Connell	05/22/07	0.3	Business Analysis	Call with C. Schult regarding Project Gemini
Pamela Zilly	05/22/07	0.2	Business Analysis	Discussion with J. O'Connell re: Project Gemini status
Pamela Zilly	05/22/07	0.3	Business Analysis	Call with J. McFarland, C. Shult, J. O'Connell re: Project Gemini
Jamie O'Connell	05/24/07	0.5	Business Analysis	Call with M. Shehntz and B. Gatte regarding Alltech patent matter
Jamie O'Connell	05/24/07	0.3	Business Analysis	Call with P. Zilly and M. Shehntz regarding Alltech patent matter
Jamie O'Connell	05/24/07	0.3	Business Analysis	Call with M. Shehntz re: Alltech patent issue
Jamie O'Connell	05/25/07	0.5	Business Analysis	Call with C. Schult regarding Project Gemini
Jamie O'Connell	05/30/07	0.3	Business Analysis	Review new materials posted to Project Gemini data site
Pamela Zilly	05/30/07	0.8	Business Analysis	Review Monthly Operating Report
Jamie O'Connell	05/31/07	0.3	Business Analysis	Call with C. Schult regarding Project Gemini
Jamie O'Connell	05/31/07	0.2	Business Analysis	Correspondence to P. Zilly and B. Istvan regarding status of Project Gemini
		<u>35.7</u>		

**BLACKSTONE ADVISORY SERVICES L.P.  
HOURLY DETAILS FOR THE PERIOD OF  
MAY 1, 2007 THROUGH MAY 31, 2007**

Professional	Date	Hours	Category	Explanation
Jamie O'Connell	05/11/07	0.3	Case Administration	Correspondence to B. Sarikas regarding management travel
Pamela Zilly	05/15/07	0.5	Case Administration	Read Motions: PD Claims, CRM Protective Order, BSNF
Pamela Zilly	05/29/07	0.6	Case Administration	Review Motions re: CRM Protection Order, state of Montana, Pension Plans
		<u>1.4</u>		

BLACKSTONE ADVISORY SERVICES L.P.  
HOURLY DETAILS FOR THE PERIOD OF  
MAY 1, 2007 THROUGH MAY 31, 2007

Professional	Date	Hours	Category	Explanation
Jamie O'Connell	05/31/07	0.2	Claims Analysis Objection/Resolution	Call with S. Ahern regarding potential settlement of claim
		<u>0.2</u>		

**BLACKSTONE ADVISORY SERVICES L.P.  
HOURLY DETAILS FOR THE PERIOD OF  
MAY 1, 2007 THROUGH MAY 31, 2007**

Professional	Date	Hours	Category	Explanation
Jamie O'Connell	05/03/07	0.3	Committee	Call with J. Dolan of Capstone regarding Project Gemini
Jamie O'Connell	05/03/07	0.3	Committee	Correspondence to J. Dolan of Capstone regarding Project Gemini
Jamie O'Connell	05/07/07	0.3	Committee	Coordinate Project Gemini call with Capstone
Jamie O'Connell	05/07/07	0.5	Committee	Call with J. Dolan, C. Schult and B. Istvan regarding Project Gemini
Jamie O'Connell	05/08/07	0.3	Committee	Manage committee information request
Jamie O'Connell	05/10/07	0.3	Committee	Correspondence with J. Dolan regarding Project Gemini
Jamie O'Connell	05/11/07	0.5	Committee	Call with J. Brownstein regarding committee information request and Project Gemini
Jamie O'Connell	05/11/07	0.2	Committee	Correspondence to financial advisors regarding Q1 financial briefing call
Jamie O'Connell	05/11/07	0.3	Committee	Call with G. Boyer regarding Project Gemini
Jamie O'Connell	05/11/07	0.3	Committee	Call with J. Brownstein and C. Schult regarding Project Gemini
Jamie O'Connell	05/14/07	0.3	Committee	Correspondence to financial advisors regarding pension motion
Benjamin Istvan	05/15/07	0.3	Committee	Correspondence with J. Dolan regarding claims analysis
Jamie O'Connell	05/15/07	0.3	Committee	Correspondence with J. Dolan regarding Project Gemini and claims balances
Jamie O'Connell	05/15/07	0.5	Committee	Manage committee information request
Jamie O'Connell	05/15/07	0.5	Committee	Call with J. Sinclair and J. Forbach regarding pension information request
Jamie O'Connell	05/16/07	4.5	Committee	Review of revised Gemini motion and correspondence to financial advisors regarding motion
Benjamin Istvan	05/17/07	0.3	Committee	Call with B. Frezza and J. O'Connell regarding Project Gemini
Benjamin Istvan	05/17/07	0.3	Committee	Call with J. Sinclair and J. O'Connell regarding Project Gemini
Benjamin Istvan	05/17/07	0.3	Committee	Call with T. Weschler and J. O'Connell regarding Project Gemini
Jamie O'Connell	05/17/07	0.3	Committee	Correspondence to J. Sinclair and A. Prills regarding committee information request
Jamie O'Connell	05/17/07	0.5	Committee	Call with J. Brownstein regarding Project Gemini
Jamie O'Connell	05/17/07	0.3	Committee	Call with B. Frezza and B. Istvan regarding Project Gemini
Benjamin Istvan	05/17/07	0.3	Committee	Call with J. Sinclair and B. Istvan regarding Project Gemini
Benjamin Istvan	05/17/07	0.3	Committee	Call with T. Weschler and B. Istvan regarding Project Gemini
Benjamin Istvan	05/18/07	0.3	Committee	Call with J. Sinclair and J. O'Connell regarding terms of Project Gemini motion
Benjamin Istvan	05/18/07	0.3	Committee	Call with G. Boyer and J. O'Connell regarding terms of Project Gemini motion
Benjamin Istvan	05/18/07	0.3	Committee	Call with T. Weschler and J. O'Connell regarding terms of Project Gemini motion
Benjamin Istvan	05/18/07	0.1	Committee	Call with J. Brownstein and J. O'Connell regarding terms of Project Gemini motion
Jamie O'Connell	05/18/07	0.5	Committee	First quarter review conference call with management and financial advisors
Jamie O'Connell	05/18/07	0.5	Committee	Correspondence to financial advisors regarding Project Gemini purchase agreement
Jamie O'Connell	05/18/07	0.3	Committee	Call with J. Sinclair and B. Istvan regarding terms of Project Gemini motion
Jamie O'Connell	05/18/07	0.3	Committee	Call with G. Boyer and B. Istvan regarding terms of Project Gemini motion
Jamie O'Connell	05/18/07	0.3	Committee	Call with T. Weschler and B. Istvan regarding terms of Project Gemini motion
Jamie O'Connell	05/18/07	0.2	Committee	Call with J. Brownstein regarding terms of Project Gemini motion
Jamie O'Connell	05/18/07	0.1	Committee	Call with J. Brownstein regarding terms of Project Gemini motion
Jamie O'Connell	05/18/07	0.1	Committee	Call with B. Frezza and J. Dolan regarding terms of Project Gemini motion
Jamie O'Connell	05/18/07	0.1	Committee	Call with G. Boyer regarding terms of Project Gemini motion
Jamie O'Connell	05/22/07	0.3	Committee	Correspondence to G. Boyer regarding Project Gemini terms
Jamie O'Connell	05/22/07	0.3	Committee	Manage committee information request
Jamie O'Connell	05/22/07	0.3	Committee	Correspondence to J. Sinclair and A. Prills regarding committee information request
Jamie O'Connell	05/22/07	1.0	Committee	Correspondence to financial advisors regarding Project Gemini update
Jamie O'Connell	05/24/07	0.3	Committee	Call with G. Boyer regarding Project Gemini
Jamie O'Connell	05/25/07	0.3	Committee	Call with J. Brownstein regarding Project Gemini
Jamie O'Connell	05/29/07	0.3	Committee	Manage committee information requests from Tersigni and Capstone
Jamie O'Connell	05/29/07	0.3	Committee	Call with B. Sarikas regarding Capstone information request
Jamie O'Connell	05/29/07	0.3	Committee	Call with J. Forbach regarding Tersigni information request

**BLACKSTONE ADVISORY SERVICES L.P.  
HOURLY DETAILS FOR THE PERIOD OF  
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Professional	Date	Hours	Category	Explanation
Jamie O'Connell	05/30/07	0.3	Committee	Correspondence to J. Baer and B. McGowan regarding committee information request
Jamie O'Connell	05/30/07	0.3	Committee	Call with J. Sinclair regarding committee information request
Jamie O'Connell	05/30/07	0.8	Committee	Draft correspondence to financial advisors regarding Watson Wyatt pension analysis
Jamie O'Connell	05/31/07	0.2	Committee	Correspondence to J. Dolan regarding pension information request
Jamie O'Connell	05/31/07	0.2	Committee	Call with J. Forgach regarding committee information request
Jamie O'Connell	05/31/07	0.1	Committee	Respond to Capstone information request
		<u>20.8</u>		

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Professional	Date	Hours	Category	Explanation
Jamie O'Connell	05/07/07	0.2	Employee Benefits/Pension	Call with J. Forgach regarding pension motion
Benjamin Istvan	05/08/07	0.8	Employee Benefits/Pension	Review draft pension motion
Jamie O'Connell	05/08/07	1.0	Employee Benefits/Pension	Review pension funding motion
Pamela Zilly	05/08/07	1.2	Employee Benefits/Pension	Call with J. Forgach regarding pension motion
Jamie O'Connell	05/10/07	0.2	Employee Benefits/Pension	Provide comments on draft pension motion
Jamie O'Connell	05/11/07	0.5	Employee Benefits/Pension	Provide comments on draft funding pension motion
Pamela Zilly	05/11/07	0.5	Employee Benefits/Pension	Review revised pension funding motion and exhibits
Pamela Zilly	05/12/07	0.8	Employee Benefits/Pension	Call with J. Forgach regarding pension motion
Jamie O'Connell	05/14/07	0.3	Employee Benefits/Pension	Call with J. Forgach and A. Johnson regarding pension motion
Jamie O'Connell	05/14/07	0.3	Employee Benefits/Pension	Review of pension motion
Jamie O'Connell	05/14/07	0.3	Employee Benefits/Pension	Correspondence to J. Forgach regarding pension-related materials
Jamie O'Connell	05/15/07	0.3	Employee Benefits/Pension	Call with B. McGowan regarding committee information request
Jamie O'Connell	05/22/07	0.3	Employee Benefits/Pension	Review Watson Wyatt report; email to J. Sinclair
Pamela Zilly	05/22/07	1.0	Employee Benefits/Pension	Call with J. Baer and B. McGowan regarding pension motion
Jamie O'Connell	05/30/07	0.3	Employee Benefits/Pension	
		<b>8.0</b>		

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Professional	Date	Hours	Category	Explanation
Jamie O'Connell	05/01/07	1.5	Financing	Analysis of credit spreads
Jamie O'Connell	05/01/07	0.3	Financing	Correspondence to E. Filon regarding credit spreads
Jamie O'Connell	05/02/07	2.0	Financing	Research credit rating methodologies
Pamela Zilly	05/15/07	0.2	Financing	Call with financial institution; email to E. Filon
		<u>4.0</u>		

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MAY 1, 2007 THROUGH MAY 31, 2007**

<b>Professional</b>	<b>Date</b>	<b>Hours</b>	<b>Category</b>	<b>Explanation</b>
Jamie O'Connell	05/21/07	5.0	Hearings	Participate telephonically in the May 21, 2007 court hearing
Pamela Zilly	05/21/07	5.0	Hearings	Attend Grace court hearing telephonically
		<u>10.0</u>		

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Professional	Date	Hours	Category	Explanation
Benjamin Istvan	05/01/07	4.8	Plan and Disclosure Statement	Financial analysis and drafting of presentation regarding financial analysis
Benjamin Istvan	05/01/07	2.3	Plan and Disclosure Statement	Further updates to financial analysis
Benjamin Istvan	05/01/07	0.3	Plan and Disclosure Statement	Correspondence with E. Filon regarding financial analysis
Benjamin Istvan	05/01/07	1.3	Plan and Disclosure Statement	Further updates to financial analysis
Jamie O'Connell	05/01/07	0.5	Plan and Disclosure Statement	Call with E. Filon regarding financial analysis and debt information
Jamie O'Connell	05/01/07	4.8	Plan and Disclosure Statement	Financial analysis and drafting of presentation regarding financial analysis
Jamie O'Connell	05/01/07	0.5	Plan and Disclosure Statement	Correspondence to management regarding financial analysis
Pamela Zilly	05/01/07	1.4	Plan and Disclosure Statement	Review and distribute financial analysis presentation
Pamela Zilly	05/01/07	0.4	Plan and Disclosure Statement	Call with E. Leibenstein
Benjamin Istvan	05/02/07	1.0	Plan and Disclosure Statement	Call with E. Filon, P. Zilly and J. O'Connell regarding financial analysis
Benjamin Istvan	05/02/07	0.5	Plan and Disclosure Statement	Meeting with P. Zilly and J. O'Connell regarding financial analysis
Benjamin Istvan	05/02/07	0.3	Plan and Disclosure Statement	Call with E. Filon, D. Nakashige regarding financial analysis
Benjamin Istvan	05/02/07	0.5	Plan and Disclosure Statement	Financial analysis
Jamie O'Connell	05/02/07	1.5	Plan and Disclosure Statement	Review financial analysis
Jamie O'Connell	05/02/07	1.0	Plan and Disclosure Statement	Call with E. Filon, P. Zilly and B. Istvan regarding financial analysis
Jamie O'Connell	05/02/07	0.5	Plan and Disclosure Statement	Meeting with P. Zilly and B. Istvan regarding financial analysis
Jamie O'Connell	05/02/07	0.4	Plan and Disclosure Statement	Discussion with P. Zilly regarding insurance analysis
Pamela Zilly	05/02/07	1.0	Plan and Disclosure Statement	Call with E. Filon, J. O'Connell and B. Istvan regarding financial analysis
Pamela Zilly	05/02/07	0.5	Plan and Disclosure Statement	Meeting with J. O'Connell, B. Istvan regarding financial analysis
Pamela Zilly	05/02/07	0.4	Plan and Disclosure Statement	Discussion with J. O'Connell re: insurance treatment
Benjamin Istvan	05/03/07	1.5	Plan and Disclosure Statement	Financial analysis
Jamie O'Connell	05/03/07	0.3	Plan and Disclosure Statement	Call with R. Lapidario regarding interest rates
Jamie O'Connell	05/03/07	5.0	Plan and Disclosure Statement	Draft presentation addressing financial analysis
Benjamin Istvan	05/04/07	0.5	Plan and Disclosure Statement	Financial analysis presentation
Jamie O'Connell	05/04/07	4.5	Plan and Disclosure Statement	Draft presentation addressing financial analysis
Jamie O'Connell	05/07/07	0.3	Plan and Disclosure Statement	Status meeting with P. Zilly
Pamela Zilly	05/07/07	0.3	Plan and Disclosure Statement	Meeting with J. O'Connell re: status
Jamie O'Connell	05/08/07	1.5	Plan and Disclosure Statement	Draft presentation addressing financial analysis
Benjamin Istvan	05/09/07	1.0	Plan and Disclosure Statement	Call with management, counsel re: POR and motions pending
Benjamin Istvan	05/09/07	0.3	Plan and Disclosure Statement	Discussion with J. O'Connell regarding financial analysis
Benjamin Istvan	05/09/07	0.3	Plan and Disclosure Statement	Discussion with P. Zilly regarding financial analysis
Benjamin Istvan	05/09/07	0.3	Plan and Disclosure Statement	Correspondence with E. Filon regarding financial analysis
Jamie O'Connell	05/09/07	0.3	Plan and Disclosure Statement	Discussion with B. Istvan regarding financial analysis
Pamela Zilly	05/09/07	0.8	Plan and Disclosure Statement	Call with management and counsel re: Court hearings and motions
Pamela Zilly	05/09/07	0.3	Plan and Disclosure Statement	Discussion with R. Istvan re: financial analysis
Pamela Zilly	05/09/07	2.0	Plan and Disclosure Statement	Review financial analysis
Jamie O'Connell	05/10/07	0.5	Plan and Disclosure Statement	Call with P. Zilly and B. Corcoran regarding Libby environmental matter
Jamie O'Connell	05/10/07	0.5	Plan and Disclosure Statement	Review correspondence regarding environmental matters
Pamela Zilly	05/10/07	1.0	Plan and Disclosure Statement	Review environmental claims material
Benjamin Istvan	05/14/07	1.3	Plan and Disclosure Statement	Call with W. Corcoran, J. O'Connell re: environmental issues
Jamie O'Connell	05/14/07	1.3	Plan and Disclosure Statement	Meeting with P. Zilly, J. O'Connell and investment firm
Pamela Zilly	05/14/07	1.3	Plan and Disclosure Statement	Meeting with P. Zilly, B. Istvan and investment firm
Benjamin Istvan	05/15/07	0.5	Plan and Disclosure Statement	Meeting with investor
Benjamin Istvan	05/15/07	0.5	Plan and Disclosure Statement	Call with management, counsel re: POR and motions pending
Benjamin Istvan	05/15/07	0.5	Plan and Disclosure Statement	Prepare analysis of claims balances
Benjamin Istvan	05/15/07	0.3	Plan and Disclosure Statement	Status meeting with J. O'Connell

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Professional	Date	Hours	Category	Explanation
Jamie O'Connell	05/15/07	0.5	Plan and Disclosure Statement	Call with management, counsel re: POR and motions pending
Jamie O'Connell	05/15/07	0.3	Plan and Disclosure Statement	Status meeting with B. Istvan
Pamela Zilly	05/15/07	0.8	Plan and Disclosure Statement	Call with counsel and management re: Court hearings and motions
Benjamin Istvan	05/16/07	0.3	Plan and Disclosure Statement	Status meeting with J. O'Connell
Jamie O'Connell	05/16/07	0.3	Plan and Disclosure Statement	Status meeting with B. Istvan
Benjamin Istvan	05/22/07	0.8	Plan and Disclosure Statement	Call with management, counsel re: POR and motions pending
Jamie O'Connell	05/22/07	0.8	Plan and Disclosure Statement	Call with management, counsel re: POR and motions pending
Benjamin Istvan	05/23/07	1.3	Plan and Disclosure Statement	Financial model review with J. O'Connell
Jamie O'Connell	05/23/07	1.3	Plan and Disclosure Statement	Financial model review with B. Istvan
Pamela Zilly	05/23/07	1.0	Plan and Disclosure Statement	Review financial model
Benjamin Istvan	05/24/07	0.8	Plan and Disclosure Statement	Financial model reviews with J. O'Connell
Jamie O'Connell	05/24/07	0.8	Plan and Disclosure Statement	Financial model reviews with B. Istvan
Jamie O'Connell	05/25/07	2.3	Plan and Disclosure Statement	Review updated financial model
Pamela Zilly	05/25/07	2.0	Plan and Disclosure Statement	Review financial model
Pamela Zilly	05/29/07	0.4	Plan and Disclosure Statement	Call with M. Sheinitz
Pamela Zilly	05/30/07	0.4	Plan and Disclosure Statement	Call with E. Leibenstein
Pamela Zilly	05/31/07	2.2	Plan and Disclosure Statement	Review financial analysis
		<u>67.1</u>		

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Professional	Date	Hours	Category	Explanation
Pamela Zilly	05/01/07	0.8	Valuation	Review comparable company analysis
		<u>0.8</u>		